

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 08107 261214Z

ACTION EB-08

INFO OCT-01 NEA-11 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05

L-03 LAB-04 NSAE-00 PA-01 CTME-00 AID-05 SS-15

STR-07 ITC-01 TRSE-00 SP-02 SOE-02 OMB-01 DOE-15

NSCE-00 SSO-00 ICAE-00 INRE-00 /109 W

-----124852 261216Z /64

O 261209Z MAY 78

FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 0128

INFO AMEMBASSY TEL AVIV

LIMITED OFFICIAL USE GENEVA 08107

PASS STR ELECTRONICALLY

PASS TREASURY

E.O. 11652: N/A

TAGS: ETRD, GATT, IS

SUBJECT: GATT BALANCE OF PAYMENTS CONSULTATIONS - ISRAEL

1. WE HAVE DISCUSSED MAY 29 SCHEDULED CONSULTATIONS WITH ISRAELI DEL AND OTHERS. ISRAELI DEL CONFIRMS THAT ISRAEL DOES NOT WANT TO BE GIVEN A CLEAN BILL OF HEALTH BY THE COMMITTEE SINCE IT STILL MAINTAINS SOME TRADE RESTRICTIONS. THE IMF STATEMENT WILL SAY THAT THESE RESTRICTIONS ARE OF MINOR SIGNIFICANCE IN TERMS OF BALANCE OF PAYMENTS CONSIDERATION. IN THESE CIRCUMSTANCES THE COMMITTEE COULD FIND THAT ISRAEL NO LONGER NEEDS TO CONSULT WITH THE COMMITTEE AS IT DID IN THE CHILEAN AND ARGENTINA MINI CONSULTATIONS. THIS WOULD MEAN, OF COURSE, THAT THE REMAINING RESTRICTIONS HAVE NO BOP JUSTIFICATION. ISRAELI DEL, HOWEVER, SAYS THAT BOP SITUATION IS STILL VERY TENUOUS, THAT THE NEW ECONOMIC POLICY HAS ONLY BEEN IN EFFECT FOR FEW MONTHS AND THAT THE ISRAELI

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 08107 261214Z

GOVERNMENT NEEDS TO MAINTAIN THE REMAINING RESTRICTIONS AS A PRECAUTIONARY MEASURE, AT LEAST FOR THE NEAR FUTURE. WE NOTE THAT THESE RESTRICTIONS ARE MORE EXTENSIVE (I.E. A WIDER PRODUCT COVERAGE) THAN FINLAND'S AND THAT THE ISRAELI CASE IS SOMEWHAT UNIQUE.

2. ALTHOUGH ISRAEL'S BALANCE OF PAYMENTS HAS IMPROVED

IN LAST COUPLE OF YEARS, THIS REFLECTS PRIMARILY AN INCREASE IN LONG-TERM DEBT AND AID INFLOWS. BALANCE OF TRADE IS APPROXIMATELY 2.5 MILLION SDRS IN DEFICIT. WE THEREFORE SEE SOME MERIT IN ALLOWING ISRAEL TO MAINTAIN BOP COVER FOR THE TIME BEING IN ORDER TO SEE IF FAVORABLE BOP TRENDS PERSIST AND IF THE ECONOMIC SITUATION WARRANTS FURTHER LIBERALIZATION. ISRAEL HAS MADE A SUBSTANTIAL EFFORT TO LIBERALIZE AND THE COMMITTEE SHOULD TAKE A MORE UNDERSTANDING STANCE THAN USDEL RECOMMENDED WITH RESPECT TO FINLAND. OTHER DELS APPEAR TO BE OF THIS VIEW, AND WE EXPECT COMMITTEE CONCLUSIONS THAT WELCOME THE SIGNIFICANT LIBERALIZATION OF ISRAELI IMPORT POLICIES AND THAT EXPRESS THE COMMITTEE'S DESIRE THAT THE REMAINING RESTRICTIONS BE PHASED OUT AS THE CIRCUMSTANCES WARRANT. VANDEN HEUVEL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DIPLOMATIC DISCUSSIONS, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 may 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA08107
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780222-1089
Format: TEL
From: GENEVA
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780516/aaaaamqt.tel
Line Count: 77
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: c1ebb695-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: ONLY
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2555331
Secure: OPEN
Status: NATIVE
Subject: GATT BALANCE OF PAYMENTS CONSULTATIONS - ISRAEL
TAGS: ETRD, IS, US, GATT
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/c1ebb695-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014